HOUSE BILL No. 1025

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-13.5; IC 27-13-1; IC 27-13-7.5.

Synopsis: Health benefit mandates. Allows, under certain circumstances, an accident and sickness insurer or a health maintenance organization to provide a policy or contract without complying with all health benefit mandates. Requires insurers and health maintenance organizations to report specified information concerning the policies and contracts to the department of insurance. Requires the department to report to the legislative council.

Effective: July 1, 2007.

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January 8, 2007, read first time and referred to Committee on Insurance.

Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1025

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 27-8-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 13.5. Health Benefit Mandate Option

Sec. 1. As used in this chapter, "health benefit mandate" means any of the following requirements for coverage in, or an offering of coverage that must be made in connection with the purchase of, a policy of accident and sickness insurance, to the extent that the coverage is not required under federal law:

(1) Mastectomy related coverage under IC 27-8-5-26.

(2) Mental illness related coverage under IC 27-8-5-15.6.

(3) Dental anesthesia related coverage under IC 27-8-5-27.

(4) Adopted child coverage under IC 27-8-5-21.

(5) Newborn coverage under IC 27-8-5.6.

(6) Breast cancer screening related coverage under IC 27-8-14.

(7) Morbid obesity related coverage under IC 27-8-14.1.

(8) Pervasive developmental disorder related coverage under IC 27-8-14.2.

(9) Diabetes related coverage under IC 27-8-14.5.

(10) Prostate cancer testing related coverage under IC 27-8-14.7.

(11) Colorectal cancer testing related coverage under IC 27-8-14.8.

(12) Off label drug treatment coverage under IC 27-8-20.

(13) Minimum maternity related benefits under IC 27-8-24.

(14) Inherited metabolic disease related coverage under IC 27-8-24.1.

Sec. 2. As used in this chapter, "insurer" refers to an insurer (as defined in IC 27-1-2-3(x)) that issues or delivers a policy of accident and sickness insurance.

Sec. 3. As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

Sec. 4. As used in this chapter, "prospective purchaser" means an:

(1) individual who requests coverage under a policy of accident and sickness insurance that is issued on an individual basis; or

(2) employer that:

(A) employs not more than fifty (50) employees, a majority of whom were not offered coverage for health care services (as defined in IC 27-13-1-18) by:

(i) the employer; or

(ii) a parent, a subsidiary, or an affiliate of the employer; during the preceding calendar year; and

(B) requests coverage for the employer's employees under a policy of accident and sickness insurance that is issued on a group basis.

Sec. 5. Notwithstanding any other law, an insurer may offer to a prospective purchaser a policy of accident and sickness insurance without complying with all health benefit mandates if:

(1) when the offer is made, the insurer provides a list of the health benefit mandates with which the offer does not comply; and

(2) the policy offered includes the following:

(A) Newborn coverage required under IC 27-8-5.6.

(B) Diabetes related coverage required under IC 27-8-14.5.

(C) If the prospective purchaser is described in section 4(2) of this chapter:

(i) breast cancer screening related coverage required under IC 27-8-14;

(ii) prostate cancer testing related coverage required under IC 27-8-14.7; and

(iii) colorectal cancer testing related coverage required under IC 27-8-14.8.

(D) Adopted child coverage required under IC 27-8-5-21.

(E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3).

Sec. 6. An insurer that offers to a prospective purchaser a policy of accident and sickness insurance described in section 5 of this chapter shall also offer to the prospective purchaser a policy of accident and sickness insurance in compliance with all health benefit mandates.

Sec. 7. An insurer that issues or delivers a policy of accident and sickness insurance described in section 5 of this chapter shall provide to each individual insured under the policy of accident and sickness insurance a written disclosure that:

(1) acknowledges that the policy of accident and sickness insurance is not issued in compliance with all health benefit mandates; and

(2) lists in summary form the health benefits:

(A) to which a health benefit mandate applies; and

(B) for which coverage is provided in the policy of accident and sickness insurance.

SECTION 2. IC 27-13-1-17.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 17.6. "Health benefit mandate" means any of the following requirements for coverage in, or an offering of coverage that must be made in connection with the purchase of, an individual contract or a group contract, to the extent that the coverage is not required under federal law:**

(1) Mastectomy related coverage under IC 27-13-7-14.

(2) Mental illness related coverage under IC 27-13-7-14.8.

(3) Dental anesthesia related coverage under IC 27-13-7-15.

(4) Adopted child coverage under IC 27-8-5-21.

(5) Newborn coverage under IC 27-8-5.6.

(6) Breast cancer screening related coverage under IC 27-13-7-15.3.

(7) Morbid obesity related coverage under IC 27-13-7-14.5.

(8) Pervasive developmental disorder related coverage under

IC 27-13-7-14.7.

(9) Diabetes related coverage under IC 27-8-14.5.

(10) Prostate cancer testing related coverage under IC 27-13-7-16.

(11) Colorectal cancer testing related coverage under IC 27-13-7-17.

(12) Off label drug treatment coverage under IC 27-8-20.

(13) Minimum maternity related benefits under IC 27-8-24.

(14) Inherited metabolic disease related coverage under IC 27-13-7-18.

SECTION 3. IC 27-13-1-27.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 27.8. "Prospective purchaser" means an:**

(1) individual who requests coverage under an individual contract; or

(2) employer that:

(A) employs not more than fifty (50) employees, a majority of whom were not offered coverage for health care services by:

(i) the employer; or

(ii) a parent, a subsidiary, or an affiliate of the employer; during the preceding calendar year; and

(B) requests coverage for the employer's employees under a group contract.

SECTION 4. IC 27-13-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 7.5. Health Benefit Mandate Option

Sec. 1. Notwithstanding any other law, a health maintenance organization may offer to a prospective purchaser an individual contract or a group contract without complying with all health benefit mandates if:

(1) when the offer is made, the health maintenance organization provides a list of the health benefit mandates with which the offer does not comply; and

(2) the contract offered includes the following:

(A) Newborn coverage that is substantially similar to the coverage required under IC 27-8-5.6.

(B) Diabetes related coverage required under IC 27-8-14.5.

(C) If the prospective purchaser is described in IC 27-13-1-27.8(2):

(i) breast cancer screening related coverage required under IC 27-13-7-15.3;

(ii) prostate cancer testing related coverage required under IC 27-13-7-16; and

(iii) colorectal cancer testing related coverage required under IC 27-13-7-17.

(D) Adopted child coverage required under IC 27-8-5-21.

(E) Minimum maternity related benefits of examination and testing of the newborn child required under IC 27-8-24-4(a)(2) and IC 27-8-24-4(a)(3).

Sec. 2. A health maintenance organization that offers to a prospective purchaser an individual contract or a group contract described in section 1 of this chapter shall also offer to the prospective purchaser an individual contract or a group contract in compliance with all health benefit mandates.

Sec. 3. A health maintenance organization that enters into or delivers an individual contract or a group contract described in section 1 of this chapter shall provide to each enrollee a written disclosure that:

(1) acknowledges that the individual contract or group contract is not entered into in compliance with all health benefit mandates; and

(2) lists in summary form the health benefits:

(A) to which a health benefit mandate applies; and

(B) for which coverage is provided in the individual contract or group contract.

SECTION 5. [EFFECTIVE JULY 1, 2007] **(a) As used in this SECTION, "department" refers to the department of insurance created by IC 27-1-1-1.**

(b) An insurer that issues or delivers a policy of accident and sickness insurance described in IC 27-8-13.5-5, as added by this act, and a health maintenance organization that enters into or delivers a contract described in IC 27-13-7.5-1, as added by this act, shall report the following information to the department not later than November 15, 2008:

(1) The number of:

(A) policies described in this subsection that are issued or delivered by the insurer, and the number of individuals covered under each policy; or

(B) contracts described in this subsection that are entered into or delivered by the health maintenance organization, and the number of individuals covered under each

contract.

(2) The premium charged for each policy or contract described in this subsection.

(3) The difference between:

(A) the premium charged for each policy or contract described in this subsection; and

(B) the premium that would be charged for any other policy or contract offered by the insurer or health maintenance organization to the prospective purchaser that purchased the policy or contract described in this subsection.

(c) Not later than December 1, 2008, the department shall compile the information reported to the department under subsection (b) and report the information to the legislative council in an electronic format under IC 5-14-6. The department:

(1) shall include in the report information concerning the number of uninsured individuals in Indiana; and

(2) may include in the report any other information that the department determines is relevant.

(d) This SECTION expires December 31, 2008.